

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED

APR 12 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the matter of)
)
Implementation of Section 26)
of the Cable Television)
Consumer Protection and)
Competition Act of 1992)
)
Inquiry into Sports)
Programming Migration)

PP Docket No. 93-21

COMMENTS OF NATIONAL BROADCASTING COMPANY, INC.

National Broadcasting Company, Inc. ("NBC") submits these comments in response to the Commission's Further Notice of Inquiry in this docket.

In its comments filed in response to the initial Notice of Inquiry in this docket, NBC urged that public policy concern with the issue of "sports migration" should be limited to ensuring that playoff and championship games remain available on free, over-the-air television. NBC continues to believe that the adequate supply and relative fungibility of regular-season games, coupled with the lack of evidence of any significant migration of these games from broadcast to subscription media, make legislation or regulation relating to regular-season games unnecessary.

The Commission's Further Notice of Inquiry seeks information about the agreements NBC has reached in the past year for Major League Baseball ("MLB"), American Football Conference ("AFC") and

No. of Copies rec'd
List A B C D E

0+9

National Basketball Association ("NBA") exhibition rights. Details regarding those agreements follow.

I. Major League Baseball

In May 1993 NBC, Capital Cities/ABC Inc. ("ABC") and MLB's 28 clubs established a joint venture to take control of production, advertising, and sponsorship of MLB broadcasts. The Baseball Network, as the partnership has been named, will produce MLB broadcasts for carriage on NBC and ABC beginning this year. Under terms of the agreement:

-All of MLB's premier events -- the All Star Game, the Divisional Playoffs, the League Championship Series, and the World Series -- will remain on free broadcast television for the duration of the agreement.

-Pay-per-view is expressly excluded from all post-season coverage for the duration of the agreement.

-All network telecasts will be shown in prime time.

-The venture partners will attempt to broadcast all weekend post-season games at a time that is early enough to be accessible to younger viewers.

The first network telecast each season will be the All-Star Game, which will be followed by twelve consecutive weeks of live,

prime-time regular season telecasts. The telecasts will be regionalized in order to meet local interests. ABC will broadcast the first six regular season games and NBC will broadcast the last six. All regular season telecast dates will be exclusive to the networks, and no cablecasts of the games are allowed under the agreement.

The new agreement also provides for exclusive free, over-the-air regionalized broadcast coverage of the new best-of-five Divisional Playoffs on NBC and ABC. The League Championship Series will be televised simultaneously on a regional basis during prime time, and the telecasting network will provide continual updates on the series not being telecast in a particular area. Exclusive live broadcast coverage of the World Series will be in prime time.

NBC and ABC will alternate coverage of the All-Star Game and post-season games. The network carrying the All-Star Game will also carry the League Championship Series and the other network will carry the divisional playoffs and the World Series. If both teams in a two-team market are involved in post-season play, the telecasting network will carry one of the two games, and the other will be televised by an alternate over-the-air television station in that market.

The agreement provides for no rights fees per se, but NBC

and ABC each contributed \$10 million to startup costs for The Baseball Network. MLB will take 87.5% of the advertising revenue with NBC and ABC each taking 6.25%. After sales top a specified figure, MLB's share drops to 80%, with the networks splitting the remainder. The contract runs for six years.

II. Professional Football

In December 1993, NBC and the NFL reached an agreement to extend NBC's coverage of American Football Conference games through the 1997 season. Under the terms of the agreement, NBC retains the television rights to AFC regular-season games and the AFC playoffs, including all AFC Championship games. NBC also secured exclusive broadcast rights to the 1996 and 1998 Super Bowls. There will be no reduction in network coverage of AFC games as compared to the prior NBC/AFC agreement.

III. Professional Basketball

In April 1993, NBC and the NBA reached a new agreement that will keep NBA game broadcasts on NBC through the 1997-98 season. The agreement provides the NBA with a guaranteed minimum payment and provides that the NBA and NBC will share equally in revenues above a specified amount. Thus, the agreement ties increases in rights fees to the underlying profitability of the television enterprise.

Under the agreement, NBC will carry a minimum number of 25 regular-season "NBA Game of the Week" broadcasts, as well as up to 28 NBA playoff games and all games of the NBA Finals in prime time. The NBA All-Star Game will also be telecast in prime time.

Conclusion

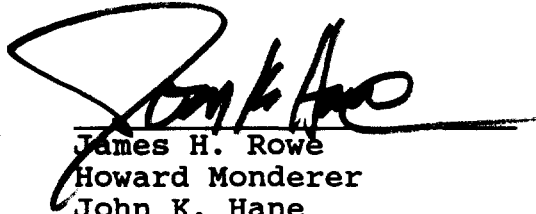
NBC's recent contracts for rights to professional baseball, football, and basketball broadcast coverage ensure that important post-season playoff and championship games and a significant number of regular season games will remain available on free, over-the-air television. The MLB joint venture and the NBA revenue sharing agreement in particular demonstrate that broadcasters and professional sports leagues are willing to forge innovative deals to ensure that extensive live coverage of professional sports events will remain economically viable on free, over-the-air television.

Respectfully submitted,

NATIONAL BROADCASTING COMPANY, INC.

A handwritten signature in dark ink, appearing to read "Richard Cotton/ES".

Richard Cotton
Ellen Shaw Agress
National Broadcasting
Company, Inc.
30 Rockefeller Plaza
New York, NY 10112

A large, stylized handwritten signature in dark ink, appearing to read "James H. Rowe".

James H. Rowe
Howard Monderer
John K. Hane
National Broadcasting
Company, Inc.
Suite 930 North
1331 Pennsylvania Ave., N.W.
Washington, D.C. 20004

April 12, 1994